

Transparency in Defence Purchases

***155. SHRIMATI JAYAPRADA NAHATA:** Will the Minister of DEFENCE be pleased to state:

(a) whether Government propose to bring transparency in defence purchases by plugging procedural loopholes and streamlining cumbersome procurement rules; and

(b) if so, the measures proposed to improve the management of country's defence?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) and (b) (i) With the overall objective of furthering the national security and in order to establish absolute transparency, probity and cost effectiveness in Defence Procurement the Government has been continuously endeavouring to improve the structures, processes and procedures related to Defence Procurement. Details of measure initiated by the government in recent past are indicated in the succeeding paras.

(ii) Based on the recommendations of the Group of Ministers (GoM) set up by the Government on 17th April 2000 to thoroughly review the national security system in its entirety, the Government has set up a Defence Acquisitions Council headed by the Raksha Mantri and a dedicated institutional structure for Defence Procurement, namely the Defence Procurement Board headed by the Defence Secretary. This measure would ensure a higher degree of perfection cost effectiveness, and transparency in the process of acquisition of equipment, weapons and weapon system for the Armed Forces.

(iii) With a view to ensure utmost transparency and probity in defence procurement, the Government has also issued detailed provisions for regulating Indian authorized representatives/Agents where permissible on November 2, 2001. Accordingly, the representational arrangements will be regulated through a system of registration; the foreign suppliers will make a categorical and open declaration regarding the services to be rendered by their authorised representatives/agents and also about the remuneration payable to

them by way of fees, commission or any other method. The measure will also help in additional information about the state of art equipment becoming available to the Service Headquarters and payments made to authorised agents/representatives will be covered under the income tax.

(iv) In consultation with the Comptroller & Auditor General of India (C&AG) and the Central Vigilance Commission (CVC), the Government has institutionalized a procedure for a mandatory and time bound scrutiny of all major defence deals exceeding Rs. 75 crores with effect from 21-9-2000. Accordingly, details of all purchase/procurement decisions/award of works of a value exceeding Rs. 75 crores will in the normal course be sent to the C&AG within a month of such a decision having been taken and in any case, not later than three months. The C&AG will have all such cases scrutinized as expeditiously as possible and render a report to the Government. The Chief Vigilance Officer in the Ministry of Defence will scrutinize these reports of the C&AG to ascertain if there is any case for initiating disciplinary/vigilance/legal action in the matter. Thereafter, wherever necessary, a formal reference will be made to the CVC by the CVO, Ministry of Defence. Besides, in accordance with the standing instructions issued by the CVC, details of all contracts above Rs. 2 crores are being sent to the CVC regularly on a quarterly basis. Copies of these reports are now also being sent to the C&AG.

Ban on Dalit Rally in Delhi

***156. SHRIMATI SAROJ DUBEY:** Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether it is a fact that a ban had been imposed by Government on the rally of dalits which was to be held at Ram Lila Ground in Delhi on 4th November, 2001;

(b) if so, whether the organisers had taken prior permission from the administration in this regard; and

(c) if so, the reasons for imposing ban on holding of said rally?